



# NEWS TO USE

A newsletter for PERSI Employers

June 2001

- Voluntary Choice Plan contributions begin July 2001
- Choice Plan guides sent to members

## Employees may begin voluntary contributions to the Choice Plan in July 2001 (if employer is ready)

Your active PERSI members may begin making voluntary contributions to the Choice Plan beginning in July 2001, depending on your ability to accept the contributions.

All active members will receive their quarterly *PERSpectives* newsletter in July, and this issue will explain that they may make the contributions **IF** their employer is ready to handle them.

We realize that the payroll reporting changes required for these voluntary contributions mean computer and/or manual changes for you and that some of you may need a little extra time for the conversion. Therefore, we are asking them to let you know they would like to participate and, if you're not ready yet, to check back with you later.

Within a few months, however, you must be ready to take and report the voluntary contributions because all PERSI employers are legally required to offer employees the opportunity to contribute to the Choice Plan.

The text that will appear in the member newsletter is as follows:

Effective July 2001, you may now make voluntary contributions into your PERSI Choice Plan 401(k).

Every active PERSI member, whether or not you received Gain Sharing in February, may now make these pre-tax contributions.

### Your Employer May or May Not Be Able to Accept Voluntary Contributions Right Now

Your employer's payroll system must be able to accept these voluntary contributions, and some employers may not be quite ready to handle your 401(k) contributions just yet. All PERSI employers have different payroll systems, and in some cases, major changes are required to accept the 401(k) contributions. Because of this, some employers may need a few more months to prepare.

All PERSI employers are legally required to offer you the opportunity to contribute to the Choice Plan, so within a few months or so, all employers should be providing this option.

We suggest that you check with your payroll clerk/human resource department to see if they are ready. If so, go ahead and complete a Salary Reduction Agreement (sent in your Choice Plan Guide in June or available on our website), and turn it in to your payroll clerk. Your contributions will begin as soon as administratively possible (usually the next pay cycle).

If your employer is not ready to accept 401(k) contributions, let them know that you want to participate when it becomes possible, and check back with them later.

### Contributions are Pre-Tax

Choice Plan 401(k) contributions are made via payroll deduction. They are deducted from each of your pay checks before taxes are deducted. This means that the income you pay taxes on is lower, so you're putting more money into your own account instead of Uncle Sam's.

### How Contributions Are Made and How Much You May Contribute

You may contribute from 1% to 23% of your gross income (including overtime) to the 401(k). Contributions must be in whole percents (5%, 6%, 7%, etc., not 5.5%). An annual minimum contribution of \$130 divided by your number of yearly paychecks is required (Example: \$130/52 paychecks a year = \$2.50 per paycheck; \$130/26 paychecks a year = \$5 per paycheck)

The IRS has limits on how much you may contribute annually. See the "Limits" article on page 4 for more

continued on back

## Voluntary contributions

continued from front

information. You may stop or change contributions at any time by completing a new Salary Reduction Agreement.

### New Contributions Will Default to the PERSI Total Return Fund

All new Choice Plan contributions will default to the PERSI Total Return Fund. If you wish to have your money go into one or more of the other funds, you must do an "allocation of future savings" either on-line or via toll-free telephone. This is required even if you already moved some or all of your Gain Sharing contributions as that designation applied only to the funds in your account at that time. Your voluntary contributions, as well as any other incoming funds (rollovers from IRAs or other plans, any employer contributions, etc.) will default to the TRF unless you allocate otherwise.

## All members to receive Choice Plan guides in June

In mid to late June, all active PERSI members will receive Choice Plan Guides via their "address of record," meaning either their home address or through their employer if that is the only address we have.

The Choice Plan Guide contains:

- a 12-page brochure with basic investing information
- a 4-page Choice Plan Highlights piece containing the basics of the plan, such as enrollment, investment options, loans, withdrawals and more
- a 4-page PERSI Total Return Fund Disclosure Document (the equivalent of a fund prospectus)
- a 1 page summary sheet of each of the ten investment options

- a Fund Transfer Worksheet for people to figure out what percentages they may want to invest in the different funds
- a Salary Reduction Agreement if they want to start voluntary contributions in July (and their employer can accept voluntary contributions at that time)

If you would like to review any of these, they are all available via the Choice Plan web page at [www.persi.state.id.us/choice.htm](http://www.persi.state.id.us/choice.htm). You may print these out to use any time you wish, or you may direct your employees to the web site. Members may also call the Choice Plan toll-free number to receive publications. The number is 1-866-ID-PERSI (1-866-437-3774).

## We'd like your suggestions for our PERSI web site

Over the next year, we will be making BIG changes to our PERSI web site. We are very excited about the opportunity to improve the site. Our goal is to make the site inviting, easy to navigate, and full of information you and your employees want and need.

Some of the new features we plan on adding include:

- Individual Account Information so that members will be able to look up their own PERSI Base Plan account information.
- Forms On-Line - many of our

forms are already available on our web site for printing, but our goal is to make it so that many forms may be filled out and submitted on-line.

- Site Map
- More intuitive navigation

While we work on improving our site, we would like your input. Please let us know:

- What information you would like to see on the site?
- How can we make it easier for you and your employees to

use?

- Is there anything you particularly like or dislike about our current site?
- Would you like to help us try out and test new web features?
- Do you have any other web site comments or questions?

Please respond to Stacy Parr, PERSI's new (and first ever) Web Developer at [sparr@persi.state.id.us](mailto:sparr@persi.state.id.us) or by calling him at 1-800-451-8228 or 334-2451 ext 243.